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REPORT OF THE TRADE AND DEVELOPMENT BOARD

First part of its thirty-ninth session*

(28 September-14 October 1992)

* The report of the Trade and Development Board on the second part of its thirty-eighth session was issued as Official Records of the General Assembly, Forty-seventh Session, Supplement No. 15 (A/47/15), vol. I. The present document is a mimeographed version of the report of the Board on the first part of its thirty-ninth session. It will be issued subsequently as Official Records of the General Assembly, Forty-seventh Session, Supplement No. 15 (A/47/15), vol. II.

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CONTENTS

		Paragraphs	Page
I.	INTRODUCTION	1 - 4	3
II.	ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS OF ITS AGENDA	5 - 51	4
	A. Formal action		4
	B. Texts	5 - 51	7
III.	COMMUNIQUE BY THE PRESIDENT OF THE TRADE AND DEVELOPMENT BOARD	52 - 89	20
IV.	STATEMENTS OF POSITION	90 - 95	26
	A. Comments following action by Sessional Committee I on agenda item 6	90 - 94	26
	B. Statement made in connection with the Communiqué of the President of the Board	95	26
V.	PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL AND ADMINISTRATIVE MATTERS	96 - 141	28

Annexes

I.	Agenda of the first part of the thirty-ninth session of the Trade and Development Board	37
II.	Provisional agenda of the second part of the thirty-ninth session of the Trade and Development Board	39
III.	Provisional agenda of the pre-sessional executive session of the Trade and Development Board (March 1993)	41

I. INTRODUCTION

1. The first part of the thirty-ninth session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 28 September to 14 October 1992.

2. The present report to the General Assembly has been prepared by the Rapporteur under the authority of the President of the Board, in accordance with the guidelines adopted by the Board in the annex to its decision 302 (XXIX) of 21 September 1984. 1/ The report records, as appropriate, the action by the Board on the substantive items of its agenda (section II), the Communiqué presented by the President of the Board at the closing plenary meeting (section III), and statements of position (section IV). The procedural, institutional, organizational and administrative matters are dealt with in section V.

3. In connection with the action reported in section II, attention is drawn to paragraph 56 of A New Partnership for Development: the Cartagena Commitment, which reads as follows:

> "The outcomes of deliberative processes in the Trade and Development Board and its subsidiary bodies need not take the form of resolutions. Greater use should be made of agreed conclusions, assessments or summings-up by presiding officers, particularly when the issues are new or difficult ones, requiring further exploration and the building of common perceptions." 2/

4. The full report of the Board on the first part of its thirty-ninth session - to be issued subsequently in document TD/B/39(1)/15 - will reflect in addition all the statements made in the course of the session on the various items of the agenda.

II. ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS OF ITS AGENDA*

A. Formal action

Item 3. International implications of macroeconomic policies and issues concerning interdependence: the recent evolution of development problems and prospects

At its 813th meeting, on 7 October 1992, the Board approved by consensus the summing-up of the general debate and the informal meetings on agenda item 3 made by the President and decided to incorporate it in the final report of the Board on the first part of its thirty-ninth session. (For the President's summing-up, see section B.1.)

Item 4. Paths to development: performance, problems and reform of public enterprises

At its 816th (closing) meeting, on 14 October 1992, the Board took note of the report of Sessional Committee I on agenda item 4 (TD/B/39(1)/SC.I/L.1/Add.3 and 4) and decided that it should form an integral part of the Board's final report. In so doing, the Board approved the summing-up by the Chairman of the Committee as set forth in the annex to document TD/B/39(1)/SC.I/L.1/Add.4. (For the summing-up by the Chairman of Sessional Committee I, see section B.2.)

Item 5. Sustainable development including UNCTAD's contribution to the implementation of UNCED's conclusions and recommendations

At its 814th meeting, on 8 October 1992, the Board took note of the summing-up of the Vice-President (Mauritius) on agenda item 5 and decided to incorporate it in the final report of the Board on the first part of its thirty-ninth session. (For the summing-up by the Vice-President, see section B.3.)

Item 6. Trade policies, structural adjustment and economic reform: issues relating to national transparent mechanisms in the context of the fight against protectionism

At its 816th (closing) meeting, on 14 October 1992, the Board took note of the report of Sessional Committee I on agenda item 6 (TD/B/39(1)/SC.I/L.1 and Add.1 and 2) and decided that it should form an integral part of the Board's final report. In so doing, the Board approved the summing-up by the Chairman of the Committee as set forth in the annex to document TD/B/39(1)/SC.I/L.1/Add.2. (For the summing-up by the Chairman of Sessional Committee I, see section B.4.)

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* For the Board's action on organizational and institutional matters, see section V.

Item 7. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s

At its 816th (closing) meeting, on 14 October 1992, the Board took note of the report of the Special Sessional Committee on agenda item 7 (TD/B/39(1)/SC.II/L.2 and Add.1 and 2) and decided that it should form an integral part of the Board's final report. In so doing, the Board approved the summary of discussion and the Chairperson's statement, and also endorsed the decision taken by the Special Sessional Committee, as set forth in document TD/B/39(1)/SC.II/L.2/Add.2, paragraphs 63-69, 70-72 and 73-75, respectively. (For the summary of discussion, Chairperson's statement and decision by the Special Sessional Committee, see section B.5.)

Item 8. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s

At its 816th (closing) meeting, on 14 October 1992, the Board took note of the report of Sessional Committee II on agenda item 8 (TD/B/39(1)/SC.II/L.1/Add.1 and 2) and decided that it should form an integral part of the Board's final report. In so doing, the Board approved the summing-up by the Chairperson of Sessional Committee II and endorsed the decision taken by the Sessional Committee, as set forth in document TD/B/39(1)/SC.II/L.1/Add.2, paragraphs 91 and 92-93, respectively. (For the summing-up by the Chairperson and the decision taken by Sessional Committee II, see section B.6.)

Item 9. Report of the Secretary-General on assistance to the Palestinian people in the light of the Cartagena decision

At its 816th (closing) meeting, on 14 October 1992, the Board took note of the report by the Secretary-General of UNCTAD entitled "Assistance to the Palestinian people" (TD/B/39(1)/4).

Item 10. Other matters in the field of trade and development

(a) Export promotion: report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty-fifth session

At its 816th (closing) meeting, on 14 October 1992, the Board took note of the statements made under agenda item 10 (a) in relation to the International Trade Centre UNCTAD/GATT and noted also that the President of the Board would reflect all the principal concerns expressed in the Board in the statement which he would be making to the Second Committee when presenting the report of the Board to the General Assembly.

(b) Progressive development of the law of international trade: twenty-fifth annual report of the United Nations Commission on International Trade Law

At its 809th meeting, on 29 September 1992, the Board took note of the report of the United Nations Commission on International Trade Law on its twenty-fifth session (A/47/17), which had been circulated to the Board under cover of a note by the UNCTAD secretariat (TD/B/39(1)/6).

Item 11. Other matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies

- Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-first session

At its 815th meeting, on 9 October 1992, the Board took note of the report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-first session (circulated to the Board under cover of document TD/B/39(1)/L.1).

At the same meeting, the Board adopted the draft agreed conclusions on this item (TD/B/39(1)/L.4), with minor editorial amendments, and agreed that the statement on programme priorities made by the Chairman of the Working Party be reproduced in full in the report of the Board on the firt part of its thirty-ninth session. (For the agreed conclusions as adopted, see section B.7, agreed conclusions 400 (XXXIX).)

Item 13. Board decision 398 (XXXVIII): Establishment of an ad hoc working group to explore the issue of structural adjustment for the transition to disarmament

At its 815th meeting, on 9 October 1992, the Board took note of the oral report on agenda item 13 by the Deputy Secretary-General of UNCTAD and decided to approve the recommendations addressed to it. (For the text as adopted, see section B.8, decision 399 (XXXIX).)

B. Texts*

1. International implications of macroeconomic policies and issues concerning interdependence: the recent evolution of development problems and prospects

(Agenda item 3)

Summing-up by the President

5. The debate was both lively and constructive, and addressed a number of global issues of great significance. It was underpinned by the Trade and Development Report, which delegations commended for its innovative, incisive and succinct analysis. The debate included an intensive informal exchange with special invitees; their expert views, which were broadly in conformity with the main findings of the Trade and Development Report, greatly contributed to the understanding of the problems.

6. It was generally recognized that the world economy is in a difficult phase. Growth has slowed in the developed economies, debt-deflationary pressures have mounted, and currencies have come under acute strain. These problems pose difficult choices for monetary and fiscal policies. These must now be designed, on the one hand, to promote recovery in the short term as in Japan and, on the other hand, to remove structural disequilibria over the medium to long term. Coordination of macroeconomic policies by the larger economies was generally viewed as essential to arrive at the stance and mix of policies needed to revive the growth momentum of the world economy. It was generally agreed that such coordination should take fully into account the interests of all countries. It was also agreed that an improved external environment was necessary for sustained non-inflationary growth in developing countries.

7. At the same time, domestic policies in developing countries were recognized to be a critical determinant of development performance. Structural reforms needed, however, to be supported by adequate columns of financial support on appropriate terms. Further progress was needed on both fronts. It was noted that a number of developing countries had succeeded in accelerating their growth rates in the face of the global economic slowdown, thanks in part to their liberalization policies which had attracted large inflows of capital, in particular direct foreign investment. Some delegations drew attention to the need for other developing countries to undertake further reforms which would attract greater volumes of investment in this form. On the other hand, it was recognized that unsustainable inflows of liquid funds could be highly problematic, and it was noted that a number of countries had succeeded in encouraging inflows of short-term funds using a variety of techniques.

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* For the Board's action on these texts, see the relevant agenda item in section A.

8. It was generally acknowledged that, while substantial progress had been made in resolving the debt problems of developing countries, such problems persisted in numerous countries. Additional efforts were needed on the part of both the debtors and creditors as well as other members of the international financial community. In this connection, a number of countries called for more favourable treatment to be accorded to poorer developing countries in the Paris Club, as well as for more attention to be paid to other developing countries, including those that have avoided debt-servicing difficulties at high cost.

9. It was recognized that the economic situation in the countries of Central and Eastern Europe continued to be extremely difficult, largely due to the problems arising from making a transition to market economy which is adversely affected by the international environment. However, growth and trade performance differed widely across countries. Some were well advanced in the process of structural change and were registering an increase in the size of the private sector, while others were still beginning the reform process and suffering dramatic falls in output and employment, with all the social hardship and risk for political stability this implied. It was noted that privatization had proved to be a much more difficult and complex task than anticipated. Several delegations underlined the importance of a more dynamic world economy, strengthened multilateral cooperation and external assistance to support the process of transition and domestic policy efforts.

10. Great concern was expressed regarding protectionism, an open and fair multilateral trading system capable of resisting protectionist pressures being essential for growth and development. The Uruguay Round of multilateral trade negotiations was viewed as an opportunity which must not be lost to strengthen the multilateral trading system and to halt protectionism. Many delegations stressed that it was essential to take into account the interests of the developing countries. It was also important to ensure that the emerging trading blocs did not result in trade diversion.

2. Paths to development: performance, problems and reform of public enterprises

(Agenda item 4)

Summary by the Chairman of Sessional Committee I

11. Numerous representatives participated in the debate, which was constructive and consensual. The debate was underpinned by the Trade and Development Report, 1992 3/ for which delegations expressed appreciation, especially because it had treated this controversial subject in a non-dogmatic manner. The debate was enriched by an informal exchange of views with experts, which had greatly contributed to understanding the issues.

12. It was felt that the discussion of the performance, problems and reform of public sector enterprises by the Trade and Development Board had been a timely follow-up to Cartagena. It was recognized that while many public sector enterprises had performed well and made important contributions to development, in many developing countries such enterprises were a source of difficulties. It was agreed that, although attention had focused on

privatization as a general rule, both privatization and reform were options to be seriously considered by Governments. It was often necessary to proceed rapidly on both fronts, especially so in Central and East European countries.

13. It was noted that, in many cases, public sector enterprises had been established because of a dearth of indigenous entrepreneurial talent willing to undertake investments. It was pointed out that many countries had felt a need to redefine the role of the State in order to make fuller use of the growing capacity of the private sector, and to contribute to those capacities, though this did not necessarily mean abandoning all forms of government intervention. But in other countries the private sector was as yet still embryonic - something which circumscribed the extent and pace of successful privatization and made reform of the public sector especially urgent. In some countries, it was necessary to phase out old established public enterprises while bringing into existence new ones to carry out new tasks.

14. It was widely agreed that the public and private sectors needed to play complementary and mutually supporting roles and that the appropriate balance would vary significantly from country to country. It was emphasized that the issue should be approached non-ideologically, taking into account the specific circumstances and level of development of the country in question, as well as its long-term potential and perspectives.

15. It was widely held that well-conceived, productive contributions by government enterprises usually had an important part to play in successful development, as there were a variety of ways in which public enterprise could benefit an economy. However, there were also dangers: for instance, manipulation by interest groups, overloading of objectives and inappropriate financing often impaired performance. Hence, it was considered important for the Government to set clear and consistent objectives for public enterprises and to reward and discipline management accordingly. In this connection, reference was made to methods of imposing a "hard budget constraint" that allowed the enterprise to pursue the non-commercial objectives assigned to it in an efficient manner. It was also considered important for enterprises to be financed in ways that facilitated forward planning.

16. It was pointed out that financial results, especially short-term ones, were often a misleading indicator of performance, whether prior to or after reform. Several other indices of efficiency were cited as being more appropriate. It was stressed that, in assessing the performance of individual enterprises, the macroeconomic environment should be taken fully into account. By the same token, reform should be directed primarily at improving enterprise efficiency rather than the cash flow of the Government; the proceeds from asset sales should be used for new capital investments rather than current consumption. Moreover, the financial targets set for enterprises should be defined in a longer-term context so as to avoid short-sighted actions.

17. Numerous speakers stressed that those public enterprises which enjoyed a "natural" monopoly position did not lend themselves to privatization; a competitive environment was considered important for good performance by enterprises in both the public and private sectors. However, abuse of monopoly power under public ownership also had to be avoided, with special care being taken to remove policy-induced limitations on competition where these served simply to generate easy profits.

3. Sustainable development including UNCTAD's contribution to the implementation of UNCED's conclusions and recommendations

(Agenda item 5)

Summing-up by the Vice-President (Mauritius) who chaired the informal meetings on this item

18. The informal discussions on agenda item 5 took into consideration the introductory statement made by the Deputy Secretary-General of UNCTAD and the statements made by several delegations on this item in plenary. The discussions benefited from the participation of the Deputy Secretary-General and Officer-in-Charge of UNCSD, as well as from contributions from staff members of the UNCTAD secretariat.

19. The Deputy Secretary-General of UNCSD had given an impassioned and illuminating view of the meaning of sustainable development seen from the perspective of development. He had emphasized the asset management perspective of sustainable development and - filling an important gap in the discussions to date - focused on what measures were necessary at the national level to bring about movement towards sustainable development. He had also reminded participants that, as the Cartagena Commitment had rightly emphasized, a global partnership with shared but differentiated responsibility was necessary if national efforts were to bear fruit, as the developing countries needed financial support to make the transition to sustainable development.

20. The UNCTAD staff members had presented the wide range of work already undertaken by the UNCTAD secretariat on specific issues within its mandate related to sustainable development. They had focused on work carried out in the fields of natural resource management; the reconciliation of trade measures with environmental concerns (and vice versa); and the development of market-based instruments for financing environmental protection.

21. Although the participants were pressed for time, a lively debate was engaged in and views were expressed on both the orientation and the content of the future work of the secretariat in the area of sustainable development. Although there was a large degree of consensus on these matters, views differed on the likely effects of the adoption and use of tradeable carbon emission permits at the international level and on the appropriateness of further work on this matter using UNCTAD's regular budgetary resources.

22. Without wishing to summarize the discussions in any further detail, he believed that it would be correct to say that the following views were broadly held:

(a) That sustainable development is such an important issue that UNCTAD's intergovernmental machinery and the secretariat should integrate yet more thoroughly the concept of sustainable development and its environmental dimension into their respective programmes of work; and in particular that concrete work on areas related to sustainable development within UNCTAD's mandate should be pursued without losing momentum, while avoiding duplication with work in other relevant institutions, necessary adjustments always being

possible at a later date to take account of future decisions by the General Assembly. Some delegations were, however, of the view that such work should proceed prudently while awaiting the establishment of the Commission on Sustainable Development and any possible allocation of tasks arising therefrom;

(b) That those subsidiary bodies of the Board whose terms of reference contain areas of work related to sustainable development should assign high priority to such work, particularly as regards the sound management of natural resources (Standing Committee on Commodities); the linkages between poverty alleviation and sustainable development (Standing Committee on Poverty Alleviation); and the generation, transfer and diffusion of environmentally sound technologies (Ad Hoc Working Group on Interrelationship between Investment and Technology Transfer);

(c) That work in the Board on sustainable development - initially in a sessional committee, but with the option open to move to a different structure (Standing Committee or Ad Hoc Working Group) if the situation warranted - should initially concentrate on the important area of the reconciliation of environmental and trade policies, including the necessity to ensure that environmental measures do not become an instrument of protection;

(d) That the UNCTAD secretariat should continue or undertake studies on the interlinkages of trade and environment in order to serve the sessional committee, and on the following:

(i) Methods for the internalization of environmental costs into the prices of all products;

(ii) Economic and regulatory tools to correct market deficiencies without hampering economic growth and development or jeopardizing competitive positions on international markets;

(iii) Market-based instruments for financial environmental protection;

(iv) The implications for developing countries of basic principles designed to foster economic behaviour more in line with the imperatives of sustainable development;

(v) The linkages between poverty alleviation and sustainable development;

(vi) Ways and means of promoting sustainable development at the national level, ensuring positive linkages between technological, sectoral and macroeconomic policies.

4. Trade policies, structural adjustment and economic reform: issues relating to national transparent mechanisms in the context of the fight against protectionism

(Agenda item 6)

Summary by the Chairman of Sessional Committee I*

23. In accordance with paragraph 132 of the Cartagena Commitment, Sessional Committee I discussed the relevant features of transparent mechanisms in the context of the fight against protectionism. Sessional Committee I also held informal discussions to exchange views and ideas with high-ranking officials from organizations concerned with transparency.

24. There was a strong consensus that transparent mechanisms could be one of the important instruments against trade protectionism. It was important to distinguish between, on the one hand, transparency for the purpose of evaluating the benefits and costs of existing protection and, on the other hand, trade-policy initiatives and transparency in the context of the administration of existing trade regulations and trade remedies.

25. It was held that in many cases such mechanisms made significant contributions towards trade liberalization. Success depended on the commitment of Governments to liberalize trade and make positive structural adjustments. It also depended on the trade-policy institutional framework in the country concerned.

26. It was noted that many developing countries and countries in transition had unilaterally embarked on substantial economic reform, including trade liberalization. These measures were not without social and economic cost. Transparency mechanisms could assist the process by providing information for knowledge-based trade policy decision-making and for better public understanding. Furthermore, such information would justify and encourage Governments to be bolder in their reform and liberalization efforts.

27. A favourable international economic environment would ease the reform process and render irreversible the policies aiding the integration of developing countries into the world economy. Transparency agencies in developed countries could play an important role in enhancing this environment, especially through improving market access for products of export interest to developing countries. It was indicated that such agencies had in fact assisted Governments in undertaking structural adjustment in various industries.

28. There was a general consensus that the six features identified in paragraph 64 of the secretariat report (TD/B/39(1)/3) provided a good basis for transparency agencies. However, it had been stressed, these mechanisms should be introduced in a staged manner, in accordance with the institutional set-up of the countries concerned.

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* For the comments made in connection with this summary, see section IV.A.

29. Regarding the features, it was emphasized that transparency agencies should be independent both from political pressure and from policy-making. Their scope of activities should include fact-finding, analysis, policy advice, and dissemination of information to the public.

30. It was also emphasized that opportunities should be provided for all interested parties to participate in the procedures of the transparency agency.

31. There was general consensus that the transparency studies should cover the economy-wide aspects of existing protectionism and new trade-policy initiatives. The studies should analyse the entire gamut of domestic measures which impinge on trade, including anti-dumping and anti-subsidy actions. It would be desirable if the studies also examined the impact of protection on trading partners, in particular the developing countries. It was considered useful for UNCTAD to follow developments in this regard.

32. Technical assistance should receive the highest priority and include information on the establishment of agencies, assistance in institution-building, and training regarding appropriate economic methodology and data-gathering. The Committee invited the donor countries and donor agencies to support these efforts. It was noted with appreciation that some existing agencies were willing to participate and contribute to UNCTAD technical cooperation activities.

33. The Committee expressed its appreciation for the outstanding contribution made by the high-ranking officials who had been invited to participate in the two days of informal discussions on transparency mechanisms. This interaction had proved to be extremely fruitful. The secretariat of UNCTAD had been requested to circulate the statements of these officials to member Governments, as appropriate. Moreover, the secretariat was encouraged to arrange for further such interaction involving high-level experts with regard to other topics in the area of trade on the agenda of the Trade and Development Board.

5. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s

(Agenda item 7)

Summary of discussions, Chairperson's statement, and decision by the Special Sessional Committee

(a) Summary of discussions as approved by the Special Sessional Committee

34. The following paragraphs reflect the discussion in the Sessional Committee on economic and policy reforms in LDCs, Official Development Assistance (ODA), external indebtedness, external trade and follow-up, monitoring and review of the Programme of Action.

35. The representatives of the least developed countries said that, despite the mounting difficulties they were facing, LDCs had been implementing comprehensive and far-reaching economic and political reforms and adjustments in accordance with the spirit of the Paris Declaration and Programme of

Action. These reforms were being undertaken with a view to imparting a new dynamism to reactivate the development process of LDCs.

36. It was emphasized by the development partners of some LDCs that economic reforms and structural adjustment must be vigorously pursued by LDCs, as failure to take timely adjustment measures would only result in making the problems worse. The importance of political freedom and respect for human rights in a framework conducive to broad popular participation in economic, social and political activities was emphasized.

37. Concerning the question of the flow of external resources, the LDCs stressed that the development partnership required that development partners provide adequate support to the development strategies and policies. They stressed that this had become all the more necessary in view of the increase in the number of LDCs to 47 countries. This called for appropriate adjustments of the commitments contained in the Programme of Action. In this regard, some donors said that they would have liked to see real attainment of the aid targets agreed upon. They felt that appropriate adjustments, meaning upward adjustments, were warranted. They called for agreement on commitments that covered all the 47 LDCs. It was stated by some other development partners that they would examine the effects which the countries newly added to the list of LDCs would have on the additional resource requirements of the LDC group as a whole. They reaffirmed their commitment to the Programme of Action and stated that they would do their utmost to implement it in a timely and effective way. One other delegation recalled the reservation of its country made at the Paris Conference regarding the quantitative ODA targets.

38. On the issue of external debt of LDCs, the LDCs recalled the very heavy debt burden their countries continued to carry. They called upon their development partners to take urgent measures to reduce their debt stock and debt-servicing burden. Some development partners stated that no single group of countries was more urgently in need of substantial debt relief than the LDCs and that the case for the Trinidad Terms, as originally proposed, was as strong as ever. Another group of development partners accepted the view that the Paris Club Agreement of December 1991 was not sufficient for many LDCs and therefore urged the Paris Club to continue its discussion on debt relief for the poorest countries.

39. The LDCs said that the Uruguay Round of multilateral trade negotiations should result in substantially improved market access for the exports of LDCs and stated that they should not be circumscribed by onerous obligations arising from such areas as trade-related aspects of intellectual property rights (TRIPs), trade-related investment measures (TRIMs) and services. A group of development partners reaffirmed their commitment to supporting efforts of LDCs at export diversification. It was stated by another group of development partners that the Generalized System of Preferences (GSP) arrangements should be improved and strengthened in favour of LDCs, and industrial countries must do their utmost to undertake the fullest possible removal of tariff and non-tariff barriers to exports from LDCs.

40. Some delegations expressed the view that the LDC annual reports, which served as the basis for the global review, should continue in-depth analyses of issues relating to review of the implementation of the Programme of Action, including disaggregation at the regional and subregional level. Many

delegations called upon the secretariat to strengthen its policy advice and technical assistance to LDCs in all relevant areas. It was also pointed out that UNCTAD should be actively involved in the substantive preparations for, and participate in, the country review meetings and provide necessary support to the regional follow-up process.

(b) Chairperson's statement as approved by the Special Sessional Committee on LDCs

41. The Special Sessional Committee of the first part of the thirty-ninth session of the Trade and Development Board conducted the second annual review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s. All countries reaffirmed their commitments to all aspects contained in the Programme of Action and in the Cartagena Commitment.

42. The least developed countries reiterated that they would continue to enhance the implementation of national policies and measures in line with the Programme of Action, including the formulation and implementation of macroeconomic policies conducive to long-term sustained growth and the alleviation of poverty, mobilizing domestic resources and ensuring broad-based participation in development.

43. The development partners reaffirmed that a significant and substantial increase in the aggregate level and improvement in the quality of external support should be made available to the LDCs.

(c) Decision by the Special Sessional Committee

44. The Committee decided that the following special issues should be reviewed in depth by the Board at the second part of its thirty-ninth session in the spring of 1993:

(a) Domestic and external resource mobilization, including debt situation and management;

(b) Improving trading opportunities.

45. In accordance with the Cartagena Commitment, the donor countries reaffirmed their determination to implement the commitments they have undertaken in the Programme of Action with regard to ODA to the 41 countries included in the list at the time of the Paris Conference and to continue their efforts to meet the resource requirements of all LDCs. The Committee reviewed the question of appropriate adjustments of the ODA commitments in respect of targets and levels of ODA as requested by the Conference. The donors expressed their intention to examine the effects which the countries newly added to the list of LDCs have on the additional resource requirements of the LDC group as a whole. In light of the above, the Committee decided to consider this question at the second part of the thirty-ninth session of the Board.

46. Donors are urged to consider providing, pursuant to General Assembly resolution 46/156, extrabudgetary resources to facilitate participation of LDC delegations at the future reviews of the Programme of Action in the Trade and Development Board.

6. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s

(Agenda item 8)

Summing-up by the Chairperson of Sessional Committee II and action by the Committee

47. At the Sessional Committee's 3rd formal meeting, on 8 October 1992, the Chairperson said that there had been a good, frank general debate on the issues facing Africa and possible responses by UNCTAD within its mandate. UNCTAD secretariat document TD/B/39(1)/5 had provided the background for the Committee's work. The debate had taken into account the relevant sections of the Cartagena Commitment which called upon UNCTAD to respond fully to the United Nations New Agenda and to the African situation in general. The New Agenda had been adopted by the General Assembly in its resolution 46/151, which requested Governments, organs, organizations of the United Nations system, and intergovernmental and non-governmental organizations to take appropriate measures in order to implement the commitments contained in the New Agenda.

Action by the Committee

48. The Committee decided that:

(a) The Secretary-General of UNCTAD should be requested to undertake Africa-specific studies, analyses and reports on the issue areas set forth in the appendix to this text, for consideration by the Trade and Development Board at its subsequent sessions;

(b) The Secretary-General should be requested to present progress reports on UNCTAD's contribution to the implementation of the New Agenda to the spring sessions of the Trade and Development Board;

(c) The secretariat should give priority to Africa in the deployment of available technical cooperation resources and ensure that UNCTAD's technical cooperation activities within the context of the New Agenda respond to the needs of African countries;

(d) Extrabudgetary resources should be sought from countries willing to contribute in order to augment available resources to intensify UNCTAD's contribution to the New Agenda, including support for the proposed studies and related technical assistance programmes in Africa;

(e) The work of UNCTAD's intergovernmental bodies should take into account the New Agenda and Africa-specific problems in general;

(f) The Trade and Development Board should evaluate UNCTAD's contribution to the implementation of the New Agenda every two years, taking into account the follow-up and monitoring mechanisms and timetable set up by the General Assembly.

49. The Committee further decided to recommend its decision to the Board for adoption.

Appendix

Africa-specific studies, analyses and reports to be undertaken by the UNCTAD secretariat for the consideration of the Trade and Development Board

1. Spring 1993:

   (a) Review of UNCTAD's technical cooperation activities in Africa;

   (b) Regional integration issues in Africa.

2. Spring 1994:

   Investment promotion, foreign direct investment, transfer of technology.

3. Spring 1995:

   Issues relating to sustainable development, population, human resources, and environment.

4. Topics for later sessions of the Board:

   (a) Achievement of sustained and sustainable growth;

   (b) Trade, commodities and diversification;

   (c) Interrelationship between economic progress, market orientation, good management, and increased popular participation.

7. Other matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies

(Agenda item 11)

- Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-first session (31 August-8 September 1992)

Agreed conclusions 400 (XXXIX). Programme priorities*

50. The Trade and Development Board recalls that the Conference at its eighth session decided that the following four areas should serve as orientations for developing both fresh approaches to long-standing issues and insights for pursuing relevant new lines of work: a new international partnership for

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* For the statement of views expressed and agreed upon during consultations on the setting of priorities among the subprogrammes included in the proposed revisions to the UNCTAD sections of the United Nations medium-term plan for the period 1992-1997, see the full report of the Board on the first part of its thirty-ninth session (TD/B/39(1)/15, part II, chap. X).

development; global interdependence; paths to development; and sustainable development.

51. The Board decides that the following subprogrammes contained in documents A/47/6 (Prog. 13), (Prog. 14) and (Prog. 15) be designated high priority, and that the particular needs of Africa should be fully taken into account in the formulation of the work programmes of the intergovernmental bodies of UNCTAD:

Programme 13:

Subprogramme 1: International competition and trade policies

" 2: Commodities

" 3: Development finance and debt

" 4: Investment and technology

" 5: Poverty alleviation

" 7: Global interdependence: the international trading, monetary and financial systems; international implications of macroeconomic policies

" 8: Enlarged economic spaces, regional economic processes and systemic issues of international trade

" 9: Privatization, entrepreneurship and competitiveness

" 11: Environment and sustainable development

Programme 14:

Subprogramme 1: Structural adjustment and trading opportunities

" 3: Trade efficiency

" 4: Services development

Programme 15:

Subprogramme 1: Least developed countries

815th plenary meeting
9 October 1992

8. Board decision 398 (XXXVIII): Establishment of an ad hoc working group to explore the issue of structural adjustment for the transition to disarmament

(Agenda item 13)

Decision 399 (XXXIX). Establishment of an ad hoc working group to explore the issue of structural adjustment for the transition to disarmament

The Trade and Development Board decides:

1. To establish an Ad Hoc Working Group to explore the issue of structural adjustment for the transition to disarmament;

2. To request the Secretary-General to UNCTAD to:

(a) Prepare a report on the activities in other United Nations organizations in this area and indicate where UNCTAD could best play a role;

(b) Prepare an estimate of the resource implications of setting up the Ad Hoc Working Group;

(c) Circulate the report and the estimate well in advance of the second part of the thirty-ninth session of the Trade and Development Board;

(d) Prepare draft terms of reference, taking into account views on the report, and circulate it in advance of the second part of the thirty-ninth session of the Board;

3. To establish at the second part of its thirty-ninth session the timetable for the Ad Hoc Working Group to explore the issue of structural adjustment for the transition to disarmament, taking into account the timetable of existing Ad Hoc Working Groups as well as the availability of resources.

815th plenary meeting
9 October 1992

III. COMMUNIQUE BY THE PRESIDENT OF THE TRADE AND DEVELOPMENT BOARD*

52. The Trade and Development Board held the first part of its thirty-ninth session in Geneva from 28 September to 14 October 1992, under the presidency of Ambassador Gündüz Aktan (Turkey). The session was the first one to put into effect the new orientations and working methods which emerged from the eighth session of the United Nations Conference on Trade and Development (UNCTAD VIII), held in Cartagena de Indias, Colombia, in February 1992.

53. The session considered the following substantive matters:

(a) International implications of macroeconomic policies and issues concerning interdependence: the recent evolution of development problems and prospects;

(b) Paths to development: performance, problems and reform of public enterprises;

(c) Sustainable development, including UNCTAD's contribution to the implementation of the conclusions and recommendations of the United Nations Conference on Environment and Development;

(d) Trade policies, structural adjustment and economic reform: issues relating to national transparent mechanisms in the context of the fight against protectionism;

(e) Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s;

(f) UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s.

54. The Board decided to establish an ad hoc working group to explore the issue of structural adjustment for the transition to disarmament.

55. The Board also adopted agreed conclusions on the priorities for UNCTAD's work.

56. In an innovative step in line with an UNCTAD VIII decision, three informal consultations were held with independent high-level experts on interdependence, public enterprises and trade transparency.

Interdependence

57. The debate addressed important global issues. It was underpinned by the Trade and Development Report, 1992, which was commended by many delegations, and it encompassed a useful informal exchange with special invitees.

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* Presented to the Board at its 816th (closing) meeting, on 14 October 1992. For the statement made by the representative of the Commission of the European Communities in connection with this Communiqué, see section IV.B.

58. The world economy is in a difficult phase, even though a number of developing countries have succeeded in accelerating their growth rates in the face of the global economic slowdown. It was broadly recognized that monetary and fiscal policies must now be designed to promote recovery in the short term and to remove structural disequilibria over the medium to long term. Coordination of macroeconomic policies by the larger economies was generally viewed as essential to a revival of the growth momentum. Such coordination should in turn take fully into account the interests of developing countries.

59. Further progress was needed on structural reform as part of domestic policies in developing countries and on adequate external financial support on appropriate terms. It was noted that, in a number of developing countries, liberalization policies had benefited from large inflows of capital, in particular direct foreign investment, although unsustainable inflows of liquid funds could be highly problematic.

60. Regarding debt, it was generally acknowledged that while substantial progress had been made in resolving the debt problems of developing countries, additional efforts were needed on the part of both the debtors and the international financial community. A number of countries called for more favourable treatment to be accorded to poorer developing countries by the Paris Club, as well as for more attention to be paid to other developing countries.

61. It was recognized that the economic situation in countries in transition to a market economy continued to be extremely difficult, and that privatization had proved to be much more complex than anticipated. Several delegations underlined the importance of a more dynamic world economy, strengthened multilateral cooperation and external assistance to support domestic policy efforts in these countries. Other delegations expressed their concern that this should not undermine investment and financial flows to developing countries.

62. The Uruguay Round of multilateral trade negotiations was viewed as a unique opportunity to strengthen the multilateral trading system and to halt protectionism. Many delegations stressed that it was essential to take into account the interests of the developing countries, including LDCs, as well as net food-importing countries, and to ensure that the emerging trading blocs did not result in trade diversion.

Reform of public enterprises

63. The debate, underpinned by the Trade and Development Report, 1992, was constructive and was enriched by informal discussions with high-level experts.

64. It was recognized that many public sector enterprises were in difficulty, and that both privatization and reform needed to be considered, especially in the countries in transition to a market economy. Many countries were redefining the role of the State in order to make fuller use of the growing capacity for private entrepreneurship. Where the private sector was embryonic, public sector reform was especially urgent. However, many delegations considered privatization as the most appropriate response to a reform of public enterprises.

65. It was widely agreed that the appropriate balance between the public and private sectors would vary significantly from country to country, and that the issue should be approached non-ideologically. Some delegations stressed that socio-economic dimensions of the reform of public enterprises must also be taken into consideration. Also, manipulation by interest groups, overloading of objectives and inappropriate financing often impaired public enterprise performance. Governments should therefore set clear and consistent objectives, and reward and discipline management with a view to responding to market signals.

66. It was pointed out that financial results, especially short-term ones, were often a misleading indicator of performance, and that the macroeconomic environment should be taken fully into account. Reform should be directed primarily at improving enterprise efficiency, and proceeds from asset sales should be used for new capital investments. The financial targets set for enterprises should be defined in a longer-term context.

67. Numerous speakers stressed the dangers of privatizing "natural" monopolies and the need to avoid abuse of monopoly power under public ownership. Those policy-induced limitations which served simply to generate easy profits should be removed.

Sustainable development

68. A lively debate was held on both the orientation and the content of the future work of the secretariat in the area of sustainable development. The Deputy Secretary-General and Officer-in-Charge of UNCED addressed the Board in informal session on policies to promote national sustainable development.

69. It was recognized that UNCTAD's work on sustainable development at the level of the Board, in a sessional committee, should initially concentrate on the important area of the reconciliation of environmental and trade policies, including the necessity to ensure that environmental measures do not become instruments of protectionism.

70. Work related to sustainable development and its environmental dimensions should be given high priority and integrated yet more thoroughly into the tasks of UNCTAD's secretariat and its subsidiary bodies. There should be a particular emphasis on the work on sustainable development in the Standing Committees on Commodities and on Poverty Alleviation and in the Ad Hoc Working Group on the Interrelationship between Investment and Technology Transfer. It was understood that all such work would need to take appropriate account of the establishment of the Commission on Sustainable Development and any subsequent possible allocation of tasks with a view to avoiding overlapping.

71. Although there was a large degree of consensus on the orientations and content of the future work of the secretariat, views differed on the likely effects of the adoption and use of tradeable carbon emission permits at the international level and on the appropriateness of further work on this matter using UNCTAD's regular budgetary resources.

72. The secretariat should continue or undertake studies on:

(a) The interlinkages of trade and environment and methods for the internalization of environmental costs into the prices of all products;

(b) Economic and regulatory tools to correct market deficiencies without hampering economic growth and development or jeopardizing competitive positions on international markets;

(c) Market-based instruments for financing environmental protection;

(d) The implications for developing countries of basic principles designed to foster economic behaviour more in line with the imperatives of sustainable development;

(e) The linkages between poverty alleviation and sustainable development;

(f) Ways and means of promoting sustainable development at the national level, ensuring positive linkages between technological, sectoral and macroeconomic policies.

National transparent mechanisms

73. The Board carried out in-depth discussions on issues relating to national transparent mechanisms in the context of the fight against protectionism.

74. It recognized that transparent mechanisms could be an important instrument against trade protectionism. It was also indicated that in many cases such mechanisms did make significant contributions towards trade liberalization. Some countries felt that effective use of these mechanisms could help in generating a favourable international economic environment which could ease the reform process of developing countries by reducing non-tariff barriers in developed countries.

75. The Board identified the following basic features for transparent mechanisms:

(a) Transparent agencies should be independent from political pressures;

(b) The transparency process should be open to all affected parties and should give them an opportunity to provide inputs and to express their views;

(c) The agency's work programme should be limited to investigative fact-finding, economic analysis and policy advice; the agency should not be involved in trade policy-making;

(d) The studies undertaken should evaluate the economy-wide effects of protection. The Board pointed to the need for such studies to include an analysis of the entire gamut of domestic measures which impinged on trade, including anti-dumping and anti-subsidy actions, as well as, if possible, the impact of protection on trading partners, in particular the developing countries;

(e) The studies should be done by competent professionals using modern methods of economic analysis;

(f) In addition to policy advice work before the government's decisions, review studies should also be conducted after the decisions have been taken.

76. The Board also felt that the manner in which these features would be implemented might depend on the institutional framework in each country. It was of the view that UNCTAD should follow developments with regard to the issues of transparency in the conduct of trade policies.

77. The Board also paid close attention to technical cooperation, which in its view should receive the highest priority and include information on the establishment of agencies, assistance in institution-building, and training regarding appropriate economic methodology and data-gathering. In this connection, the Board invited the donor countries and donor agencies to support these efforts.

Least developed countries (LDCs)

78. The Board's Special Sessional Committee conducted the second annual review of progress in implementing the Programme of Action for the Least Developed Countries for the 1990s. All countries reaffirmed their commitment to all aspects of the Programme and to the Cartagena Commitment. The LDCs reaffirmed that they would continue to enhance the implementation of national policy measures in line with the Programme. Their development partners reaffirmed that a significant and substantial increase in the aggregate level and improvement in the quality of external support should be made available to LDCs.

79. In a separate decision, the Special Sessional Committee decided that the following two special issues would be the subject of in-depth review by the Board at its spring 1993 session:

(a) Domestic and external resource mobilization, including debt situation and management;

(b) Improving trading opportunities.

80. In accordance with the Cartagena Commitment, the donor countries reaffirmed their determination to implement the commitments they had undertaken in the Programme of Action with regard to ODA to the 41 countries, and to continue their efforts to meet the resource requirements of all LDCs.

81. The Committee also decided to consider at the Board's spring session the question of the effects the countries newly added to the list of LDCs would have on the additional resource requirements of the LDC group as a whole.

82. Finally, the Committee urged donors to consider providing extrabudgetary resources to facilitate participation of LDC delegations in the future reviews of the Programme of Action undertaken by the Trade and Development Board.

Agenda for Africa

83. The Board also discussed UNCTAD's possible contribution within its mandate to the United Nations New Agenda for the Development of Africa in the 1990s. The Board decided to request the Secretary-General to undertake Africa-specific studies, analyses and reports on a selected list of issue areas for consideration at its subsequent sessions.

84. It further decided that progress reports on UNCTAD's contribution to the New Agenda's implementation should be presented to the Board at its spring session. The secretariat was asked to give priority to technical cooperation activities in Africa. Extrabudgetary resources were to be sought from potential donors to support UNCTAD's intensified contribution to the New Agenda's implementation.

85. The Board also decided to evaluate UNCTAD's contribution to the New Agenda's implementation every two years, taking into account the follow-up and monitoring mechanisms established by the General Assembly.

Transition to disarmament

86. The Board decided to establish an ad hoc working group to explore the issue of structural adjustment for the transition to disarmament, and requested the Secretary-General to prepare a report on the activities of other United Nations organizations in this area and to indicate where UNCTAD could best play a role, as well as to prepare an estimate of the resource implications, draft terms of reference for the working group and a timetable of work.

Orientations and priorities

87. The Board recalled that the Conference, at its eighth session, had decided that the following four areas should serve as orientations for developing both fresh approaches to long-standing issues and insights for pursuing relevant new lines of work: a new international partnership for development; global interdependence; paths to development; and sustainable development.

88. It decided that the particular needs of Africa should be fully taken into account in the formulation of work programmes of the intergovernmental bodies of UNCTAD. It also decided that the following subprogrammes should be designated high-priority: international competition and trade policies, commodities, development finance and debt, investment and technology, poverty alleviation, global interdependence, enlarged economic spaces, privatization, environment and sustainable development, structural adjustment, trade efficiency, services development and least developed countries.

Methods of work

89. In view of the fruitful interaction that took place during the current session with experts and high-level officials, the Board encouraged the UNCTAD secretariat to continue making arrangements to associate experts with the deliberations of the Board. Delegations made a number of suggestions on how to improve this process.

IV. STATEMENTS OF POSITION

A. Comments following action by Sessional Committee I on agenda item 6

90. The representative of the Commission of the European Communities proposed changing formulations such as "consensus" in the Chairman's summary to read "the view was widely held ..." or "many participants felt that ...", etc., which he felt would more faithfully render the extent of agreement.

91. In reply to the comments of the representative of the Commission of the European Communities, the Chairman reiterated his earlier remarks that the summary reflected his impressions of the Committee's discussions on this item.

92. The representative of Mexico commended the summary, coming as it did at the end of discussions on the subject, as being particularly useful. Since it reflected the Chairman's conclusions, he believed that it was virtually inevitable that there would be slight nuances, particularly in the light of the large number of delegations expressing their views.

93. The representative of Colombia stated that, as a faithful reflection of the informal discussions, the Chairman's summary would be a good way to bring conclusions to the attention of the Board. He also noted that the advantages offered by such a summary would be appreciated in national capitals.

94. The representative of the United States of America stated that the experts had made an outstanding contribution to the informal discussions. The presentations had been an extraordinary demonstration of the high quality of debates in UNCTAD, free of unnecessary political agendas. Despite their erudite technical level, the ideas and concepts were of great value in terms of economic growth and broadening of approaches to this subject.

B. Statement made in connection with the Communiqué of the President of the Board*

95. The representative of the Commission of the European Communities congratulated the President on the Communiqué which he had presented to the Board. He felt that the President had made a considerable effort and that the Communiqué reflected the high standard of the discussions engaged in by the Board throughout its current session. Nevertheless, he wished to remark on one particular point in relation to the section of the Communiqué that dealt with national transparency mechanisms. He noted that the language used to describe the six basic features which the Board had identified for transparent mechanisms (cf. para. 75) was from the secretariat report on trade policies (TD/B/39(1)/3, para. 64). These features had been discussed in Sessional Committee I and, in his summing-up, the Chairman of Sessional Committee I had

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* For the Communiqué, see section III.

stated that "there was a general consensus that the six features identified in paragraph 64 of the secretariat report (TD/B/39(1)/3) provided a good basis for transparency agencies" (cf. section II.B.4, para. 28). Citing the comments on the Chairman's summing-up made by the representative of the Commission of the European Communities in Sessional Committee I (see para. 90), he pointed out that it was not entirely correct to say that there was consensus on these six features. The Chairman of Sessional Committee I had not been ready to take up the Commission's proposal and to amend his summary: that was acceptable provided that his summing-up was published along with the Commission's remarks. Accordingly, while he understood that the Communiqué was made on the President's own responsibility, he requested that his own statement be duly recorded in the report.

V. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL AND ADMINISTRATIVE MATTERS

A. Opening of the session

96. In the absence of the President of the Board at its thirty-eighth session, Mr. Thomas Ogada (Kenya), the first part of the thirty-ninth session of the Trade and Development Board was opened by Mr. Jamtono Rahardjo (Indonesia), Vice-President.

B. Election of officers

(Agenda item 1 (a))

97. At its 807th (opening) meeting, on 28 September 1992, the Board elected as President of its thirty-ninth session, by acclamation, Mr. Gündüz Aktan (Turkey) who, in accordance with the provisions of Board decision 338 (XXXIII), had been designated by the Board at the second part of its thirty-eighth session.

98. At the same meeting, the Board elected the other members of its Bureau in accordance with the nominations agreed upon at its first (pre-sessional) executive session. Accordingly, the elected Bureau was as follows:

President: Mr. Gündüz Aktan (Turkey)

Vice-Presidents: Mr. Morris B. Abram (United States of America)
Mr. Abdeljabbar Brahime (Morocco)
Mr. G. V. Gabounia (Russian Federation)
Mr. Akio Iljuin (Japan)
Mr. Marian Malecki (Poland)
Mr. Carlos H. Matute Arias (Honduras)
Mr. Martin Morland (United Kingdom of Great Britain and Northern Ireland)
Mr. Gian Nath (Mauritius)
Mr. Ri Tcheul (Democratic People's Republic of Korea)
Mr. Jorge Soruco (Bolivia)

Rapporteur: Mr. Banmali Prasad Lacoul (Nepal)

C. Adoption of agenda and organization of the work of the session

(Agenda item 1 (b))

99. At the 807th meeting, the Board's attention was drawn to two additions to the provisional agenda: a sub-item entitled "Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-first session (31 August-8 September 1992)" had been added under item 11 (Other matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies); and, by decision of the first (pre-sessional) executive session of the Board, a new agenda item entitled "Board decision 398 (XXXVIII): Establishment of an ad hoc working group to explore the issue of structural adjustment for the transition to disarmament" had been included as item 13. Consequently, the items 13 and 14 of the provisional agenda had been renumbered 14 and 15, respectively.

100. Having noted the above amendments, the Board adopted the provisional agenda for the first part of its thirty-ninth session in document TD/B/39(1)/1. The agenda as adopted was subsequently circulated in document TD/B/39(1)/9. (The agenda as adopted is reproduced in annex I).

101. At the same meeting, the Board endorsed the proposals for the organization of work of the session contained in document TD/B/39(1)/Add.1.

D. Establishment of sessional bodies

102. At its 807th meeting, the Board established two sessional committees of the whole, allocating agenda items to them for consideration and report as follows:

Sessional Committee I

- Paths to development: performance, problems and reform of public enterprises (item 4)

- Trade policies, structural adjustment and economic reform: issues relating to national transparent mechanisms in the context of the fight against protectionism (item 6).

Sessional Committee II

- UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s (item 8)

- Report of the Secretary-General on assistance to the Palestinian people in the light of the Cartagena decision (item 9).

103. The Board further agreed that, during the second week of the session, Sessional Committee II would convert itself into a Special Sessional Committee to consider and report on item 7 (Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s). It was understood that Sessional Committee II and the Special Sessional Committee would have the same office-bearers.

Sessional Committee I

104. At its 1st meeting, Sessional Committee I elected the following officers to serve on its Bureau:

Chairman: Mr. Hugo Cubillos (Chile)

Vice-Chairman-cum-Rapporteur: Mr. E. M. Manakine (Russian Federation)

105. In the course of the session, Sessional Committee I held six meetings and three meetings in an informal setting.

106. At its 6th (closing) meeting, on 13 October 1992, Sessional Committee I adopted its draft report (TD/B/39(1)/SC.I/L.1 and Add.1-4), and authorized the Rapporteur to complete the report as appropriate.

Sessional Committee II

107. At its 1st meeting, Sessional Committee II elected the following officers to serve on its Bureau and on the Bureau of the Special Sessional Committee:

Chairman: Ms. Taous Feroukhi (Algeria)

Vice-Chairman-cum-Rapporteur: Mr. Thomas Carter (United States of America)

108. In the course of the session, Sessional Committee II held four meetings and three meetings in an informal setting. The Special Sessional Committee on LDCs held five meetings and five informal meetings.

109. At its 4th (closing) meeting, on 13 October 1992, Sessional Committee II adopted its draft report (TD/B/39(1)/SC.II/L.1 and Add.1 and 2) and authorized the Rapporteur to complete the report as appropriate.

110. At its 5th (closing) meeting, on 13 October 1992, the Special Sessional Committee adopted its draft report (TD/B/39(1)/SC.II/L.2 and Add.1 and 2) and authorized the Rapporteur to complete the report as appropriate.

Action by the Board

111. At its 816th (closing) meeting, on 14 October 1992, the Board took note of the reports of Sessional Committees I and II and of the Special Sessional Committee and decided to incorporate them into the report of the Board on the first part of its thirty-ninth session, as appropriate.

E. Membership and attendance

112. The following States members of UNCTAD, members of the Board, were represented at the session: Afghanistan, Algeria, Argentina, Australia, Austria, Bahrain, Bangladesh, Belarus, Belgium, Bhutan, Bolivia, Brazil, Bulgaria, Burkina Faso, Burundi, Cameroon, Canada, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Cuba, Cyprus, Czechoslovakia, Democratic People's Republic of Korea, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Ethiopia, Russian Federation, Finland, France, Germany, Ghana, Greece, Guinea, Honduras, Hungary, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Israel, Italy, Jamaica, Japan, Jordan, Kenya, Kuwait, Liberia, Libyan Arab Jamahiriya, Liechtenstein, Luxembourg, Madagascar, Malaysia, Malta, Mauritius, Mexico, Mongolia, Morocco, Myanmar, Nepal, Netherlands, New Zealand, Nigeria, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Senegal, Singapore, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay, Venezuela, Viet Nam, Yemen and Zimbabwe.

113. The following States members of UNCTAD, not members of the Board, were represented at the session: Brunei Darussalam, Holy See, Lao People's Democratic Republic, Lesotho, Maldives, Mozambique and Niger.

114. Palestine participated pursuant to General Assembly resolution 3237 (XXIX).

115. The Economic Commission for Africa and the United Nations Development Programme were represented at the session. The International Trade Centre UNCTAD-GATT was also represented.

116. The following specialized agencies were represented at the session: Food and Agriculture Organization of the United Nations, World Health Organization, World Bank, International Monetary Fund and United Nations Industrial Development Organization. The General Agreement on Tariffs and Trade was also represented at the session.

117. The following intergovernmental organizations were represented at the session: African, Caribbean and Pacific Group of States, Agency for Cultural and Technical Cooperation, Arab Monetary Fund, Commonwealth Secretariat, European Economic Community, International Organization for Migration, League of Arab States, Organisation for Economic Cooperation and Development, Organization of African Unity and Organization of the Islamic Conference.

118. The following non-governmental organizations were represented at the session: General Category: Inter-Parliamentary Union, International Alliance of Women, International Bar Association, International Chamber of Commerce, International Confederation of Free Trade Unions, World Confederation of Labour and World Federation of United Nations Associations. Special Category: International Association of Islamic Banks.

F. Adoption of the report on credentials

(Agenda item 1 (c))

119. At its 816th (closing) meeting, on 14 October 1992, the Board adopted the report submitted by the Bureau on the credentials of all representatives attending the session (TD/B/39(1)/13).

G. Provisional agenda of the second part of the thirty-ninth session of the Board

(Agenda item 1 (d))

120. At its 816th meeting, the Board approved the provisional agenda of the second part of its thirty-ninth session, as contained in document TD/B/39(1)/L.7, with a minor amendment to item 7. On the basis of the indications given in the provisional agenda for items that were to be allocated to the Board for consideration at its pre-sessional executive session, the secretariat subsequently circulated the provisional agendas at the second part of the thirty-ninth session and of the pre-sessional executive session. (See annexes II and III, respectively.)

121. In accordance with past practice, the Board authorized the Secretary-General of UNCTAD, in consultation with the President, to adjust and complete the provisional agenda in the light of developments. This arrangement was on the understanding that any amendments or additions would be subject to consultations with the representatives of States members of the Bureau and interested delegations within the framework of the consultative machinery established by Board decision 143 (XVI) and Board resolution 231 (XXII), and the Cartagena Commitment.

H. Treatment of new States members of UNCTAD for purposes of elections

(Agenda item 12 (a))

122. The Board dealt with this sub-item at its first (pre-sessional) executive session, on 21 September 1992. (See TD/B/EX(1)/4, paras. 63 and 64.)

I. Membership of the Trade and Development Board

(Agenda item 12 (b))

123. At the 809th meeting, on 29 September 1992, the President drew attention to the fact that the item entitled "Membership of the Trade and Development Board" had been referred to the pre-sessional executive session, when action had been taken on two applications (the Republics of Armenia and Equatorial Guinea). In the interim, a further application had been received - from the Republic of Georgia.

124. At the same meeting, the Board admitted the Republic of Georgia to membership of the Trade and Development Board, bringing the Board's membership to 135.

J. Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1993

(Agenda item 12 (c))

125. The Board dealt with this sub-item at its first executive session, on 21 September 1992. (See TD/B/EX(1)/4, para. 66.)

K. Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

(Agenda item 12 (d))

126. At its 809th meeting, on 29 September 1992, the Board took note that there were no applications for status from intergovernmental organizations before the Board at the first part of its thirty-ninth session.

L. Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

(Agenda item 12 (e))

127. At its 809th meeting, on 29 September 1992, the Board decided to designate and classify the following six non-governmental organizations for the purposes of rule 77 of the rules of procedure, as follows:

In the General Category:

The Association of African Trading Enterprises (ASATRADE) (TD/B/30(1)/R.1/Add.5);

In the Special Category:

The Association of Export Credit Insurance Organizations (known as the Dakar Union) (TD/B/39(1)/R.1/Add.1) - to attend meetings of the Standing Committee on Developing Services Sectors;

The World Association of Industrial and Technological Research Organizations (WAITRO) (TD/B/39(1)/R.1/Add.2) - to attend meetings of the Ad Hoc Working Group on Investment and Technology Transfer;

The Baltic Exchange Limited (TD/B/39(1)/R.1/Add.3) - to attend meetings of the Standing Committee on Developing Services Sectors;

The Rural Advancement Foundation International (RAFI) (TD/B/39(1)/R.1/Add.4) - to attend meetings of the Standing Committee on Commodities;

The Latin American Association of Navigational Law and Law of the Sea (ALDENAVE) (TD/B/39(1)/R.1/Add.6) - to attend meetings of the Standing Committee on Developing Services Sectors.

128. In addition to the subsidiary bodies to which they had been designated, all of these non-governmental organizations were entitled to attend meetings of the Trade and Development Board.

129. Also under this item, the Board noted that the International Association of State Trading Organizations of Developing Countries (ASTRO), which had been granted General Category status by the Board at the second part of its thirty-third session, had changed its name to the International Association of Trading Organizations for a Developing World. The acronym "ASTRO" remained unchanged.

130. Referring to the question of the proposed reclassification of non-governmental organizations that were already in status with UNCTAD in the Special Category, the President drew attention to the note by the UNCTAD secretariat (TD/B/39(1)/CRP.5 and Corr.1) and recalled that such non-governmental organizations had originally been classified on the basis of the special interest in one or two of the former main committees.

131. In view of this, the Board agreed that a number of non-governmental organizations be reclassified in order to bring their classification into line with the new Standing Committees and Ad Hoc Working Groups on an interim basis, pending the results of consultations which the Secretary-General of UNCTAD would have with the organizations concerned to ascertain their wishes regarding their future association with UNCTAD.

M. Review of the calendar of meetings

(Agenda item 12 (f))

132. For its consideration of this item, the Trade and Development Board had before it a note by the secretariat containing a draft calendar for the period up to 14 May 1993 and a draft indicative calendar for the remainder of 1993 (TD/B/39(1)/L.2).

133. At its 816th (closing) meeting, on 14 October 1992, the Trade and Development Board formalized the inclusion of the meeting of the Intergovernmental Group of Experts on Iron Ore and the meeting of the Intergovernmental Group of Experts on Tungsten in the calendar of meetings. It also requested the Standing Committee on Commodities to review the status of these two bodies and to decide on their activities from 1993 onwards.

134. At the same meeting, the Trade and Development Board approved the draft calendar of meetings for the period up to 14 May 1993 and the draft indicative calendar of meetings for the remainder of 1993, with two amendments (for the calendar and indicative calendar of meetings as adopted, see TD/B/39/INF.2).

N. Administrative and financial implications of the actions of the Board

(Agenda item 12 (g))

135. At its 816th (closing) meeting, on 14 October 1992, the Board noted that the administrative and financial implications of the decision taken at the current session of the Board in establishing the new ad hoc working group to explore the issue of structural adjustment for the transition to disarmament would involve deployment of staff resources of UNCTAD and conference facilities. However, these costs would be absorbed in the resources already provided in the programme budget for the Board's subsidiary bodies and relevant provisions.

O. Other business

(Agenda item 14)

1. Membership of the new Standing Committees and Ad Hoc Working Groups

136. At its 816th (closing) meeting, on 14 October 1992, the Board confirmed the membership of the four Standing Committees and the core membership of the five Ad Hoc Working Groups as reflected in document TD/B/39(1)/CRP.4/Rev.1, and noted that, since the publication of that document, the Secretary-General of UNCTAD had received further replies from Governments which would be circulated in an addendum to the document.

137. At the same meeting, the Board mandated the Bureau and the Secretary-General of UNCTAD to consider and take a decision on any further applications received prior to the second part of its thirty-ninth session.

2. Arrangements for the Bureaux of the Standing Committees and Ad Hoc Working Groups

138. Also at the 816th meeting, the Secretary-General of UNCTAD recalled that, at the first (pre-sessional) executive session of the Board, it had been agreed that the rules of procedure of the main committees of the Trade and Development Board should be applied to the new Standing Committees, albeit in as flexible a manner as possible. It had also been agreed that the officers of these Committees should be elected in accordance with the applicable rules of procedure, taking into account the principles of equitable geographical distribution and rotation. With regard to the Ad Hoc Working Groups, the agreement was that the rules of procedure of the Board would be applied, again in as flexible a manner as possible, and that the Bureaux of these groups would have the same composition as those of the main committees of the Board.

139. At his most recent consultations with representatives of States members of the Bureau of the Board and interested delegations, questions had been raised about modalities for the election of chairpersons and other members of the bureaux of the new bodies and their terms of office. The outcome of those discussions was that participants had reaffirmed that the principle of

equitable geographical distribution should be applied to the election of the members of the Bureau of each of the new bodies. So far as the Standing Committees were concerned, the Chairpersons and members of the Bureau of each Committee would be chosen on the basis of equitable geographical distribution at the beginning of each new session. In the case of the Ad Hoc Working Groups, the Chairperson and members of the Bureau, once elected on the basis of equitable geographical distribution at the beginning of their initial sessions, would remain in office for the duration of the life of the Group. Finally delegations, with the assistance of the secretariat, would hold prior consultations in order to reach agreement beforehand on the membership of the Bureau of each of these new bodies.

140. At the same meeting, the Board endorsed the recommendations of the Secretary-General of UNCTAD in the above statement.

P. Adoption of the report of the Board

(Agenda item 15)

141. At its 816th (closing) meeting, on 14 October 1992, the Board adopted its draft report (TD/B/39(1)/L.3 and Add.1-9) and authorized the Rapporteur to complete the final version as appropriate. It further authorized the Rapporteur, under the authority of the President, to prepare the Board's report to the General Assembly.

Notes

1/ See Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 15 (A/39/15), vol. II, sect. II.

2/ See TD/364.

3/ United Nations publication, Sales No. E.92.II.D.7.

ANNEX I

Agenda of the first part of the thirty-ninth session of the Trade and Development Board*

1. Procedural matters:

   (a) Election of officers;

   (b) Adoption of agenda and organization of the work of the session;

   (c) Adoption of the report on credentials;

   (d) Provisional agenda of the second part of the thirty-ninth regular session of the Board.

2. Follow-up to the recommendations adopted by the Conference at its eighth session.

3. International implications of macroeconomic policies and issues concerning interdependence: the recent evolution of development problems and prospects.

4. Paths to development: performance, problems and reform of public enterprises.

5. Sustainable development including UNCTAD's contribution to the implementation of UNCED's conclusions and recommendations.

6. Trade policies, structural adjustment and economic reform: issues relating to national transparent mechanisms in the context of the fight against protectionism.

7. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s.

8. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s.

9. Report of the Secretary-General on assistance to the Palestinian people in the light of the Cartagena decision.

10. Other matters in the field of trade and development:

    (a) Export promotion: report of the Joint Advisory Group on the International Trade Centre UNCTAD/GATT on its twenty-fifth session;

    (b) Progressive development of the law of international trade: twenty-fifth annual report of the United Nations Commission on International Trade Law.

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* Adopted by the Board at its 807th meeting, on 28 September 1992.

11. Other matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies:

- Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-first session (31 August-8 September 1992).

12. Institutional, organizational, administrative and related matters:

(a) Treatment of new States members of UNCTAD for purposes of elections;

(b) Membership of the Trade and Development Board;

(c) Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1993;

(d) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

(e) Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board;

(f) Review of the calendar of meetings;

(g) Administrative and financial implications of the actions of the Board.

13. Board decision 398 (XXXVIII): Establishment of an ad hoc working group to explore the issue of structural adjustment for the transition to disarmament.

14. Other business.

15. Adoption of the report of the Board.

ANNEX II

Provisional agenda of the second part of the thirty-ninth session of the Trade and Development Board*

1. Procedural matters:

   (a) Adoption of the agenda and organization of the work of the session;

   (b) Adoption of the report on credentials;

   (c) Provisional agenda of the first part of the fortieth session of the Board.

2. Follow-up to the recommendations adopted by the Conference at its eighth session: policies for human resource development, with particular reference to technical cooperation activities for trade and development.

3. Trade policies, structural adjustment and economic reform: trade policy reforms in developing countries and the international support required;

4. Developments and issues in the Uruguay Round of particular concern to developing countries.

5. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s.

6. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s.

   (a) Review of UNCTAD technical cooperation activities in Africa;

   (b) Regional integration issues.

7. Follow-up to the decision of the Trade and Development Board at the first part of its thirty-ninth session (Board decision 399 (XXXIX) of 9 October 1992) on the establishment of an ad hoc working group to explore the issue of structural adjustment for the transition to disarmament.

8. Sustainable development: implications for UNCTAD of recent General Assembly decisions concerning the follow-up to UNCED's conclusions and recommendations.

9. Other matters in the field of trade and development:

   [To be completed in the light of developments]

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* Cf. section V.G.

10. Reports and activities of the subsidiary bodies of the Board: matters requiring action:

    - Working Party on the Medium-term Plan and the Programme Budget, twenty-second session (8-12 March 1993).

11. Institutional, organizational, administrative and related matters:

    (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

    (b) Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board;

    (c) Review of the calendar of meetings;

    (d) Administrative and financial implications of the actions of the Board.

12. Other business.

13. Adoption of the report of the Board.

ANNEX III

Provisional agenda of the pre-sessional executive session of the Trade and Development Board*

(March 1993)

1. Procedural matters:

   (a) Adoption of the agenda;

   (b) Designation of the President of the fortieth session of the Board.

2. Reports and activities of the subsidiary bodies of the Board: matters requiring action:

   (a) Standing Committee on Commodities, first session (19-23 October 1992);

   (b) Standing Committee on Developing Services Sectors: Fostering Competitive Services Sectors in Developing Countries, first session (26-30 October 1992);

   (c) Standing Committee on Developing Services Sectors: Shipping, first session (2-6 November 1992);

   (d) Ad Hoc Working Group on Investment and Financial Flows, first session (9-13 November 1992);

   (e) Ad Hoc Working Group on Trade Efficiency, first session (16-20 November 1992), including an interim report on the preparations for the International Symposium on Trade Efficiency in 1994;

   (f) Intergovernmental Group of Experts on Restrictive Business Practices, eleventh session (23-27 November 1992);

   (g) Ad Hoc Working Group on Comparative Experiences with Privatization, first session (30 November-4 December 1992);

   (h) Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries, first session (14-18 December 1992);

   (i) Standing Committee on Economic Cooperation among Developing Countries, first session (11-15 January 1993);

   (j) Standing Committee on Poverty Alleviation, first session (18-22 January 1993);

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* Cf. section V.G.

(k) Ad Hoc Working Group on the Interrelationship between Investment and Technology Transfer, first session (25-29 January 1993);

(l) Standing Committee on Developing Services Sectors: Insurance, first session (1-5 February 1993).

3. Institutional, organizational, administrative and related matters:

(a) New States members of UNCTAD;

(b) Membership of the Trade and Development Board;

(c) Arrangements for the celebration of the thirtieth anniversary of UNCTAD in 1994.

4. Other business.

5. Report of the Board on its pre-sessional executive session.